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November 20, 1995

VIA HAND DELIVERY

Mr. William F. Caton Acting Secretary Federal Communications Commission Room 222 1919 M Street, N.W. Washington, D.C. 20554

Re: RD Docket 92-235

Dear Mr. Caton:

On behalf of Forest Industries Telecommunications, we are filing an original and nine (9) copies of its comments in response to the Commission's Further Notice of Proposed Rule Making in the above-referenced proceeding.

If there are any questions, please communicate with the undersigned.

Very truly yours,

FLETCHER, HEALD & HILDRETH, P.L.C.

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George Petrutsas

Counsel for

Forest Industries Telecommunications

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Enclosures

cc: Chairman Reed E. Hundt (w/enc.)(BY HAND)

Commissioner James H. Quello (w/enc.)(BY HAND)

Commissioner Andrew C. Barrett (w/enc.)(BY HAND)

Commissioner Rachelle B. Chong (w/enc.)(BY HAND)

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FLETCHER, HEALD & HILDRETH, P.L.C.

Federal Communications Commission November 20, 1995 Page 2

cc: cont'd.

Robert H. McNamara, Chief, Private Wireless Div. (w/enc.)(BY HAND) Kathryn S. Hosford, Ass't Chief for Land Mobile and Public Safety Service, Private Wireless Div. (w/enc.)(BY HAND) BEFORE THE

Federal Communications Commission

WASHINGTON, D.C. 20554

In the Matter of

Replacement of Part 90 by Part 88 to Revise the Private Land Mobile Radio Services and Modify the Policies Governing Them

and

Examination of Exclusivity and)
Frequency Assignment Policies of)
the Private Land Mobile Radio Services)

NOV 2 0 1995

DOCKET FILE COP, ORIGINAL

PR Docket No. 92-235

COMMENTS OF FOREST INDUSTRIES TELECOMMUNICATIONS

Respectfully submitted,

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Dated: November 20, 1995 cej/gp/gp#4/fit.cover

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SUMMARY

The Second Report and Order will substantially achieve the objectives of this proceeding in that it has established the regulatory framework for eventually quadrupling the communication capacity of the private land mobile channels in the 150-170 and in the 421-512 MHz bands through the gradual implementation of narrowband and other technologies. FIT supports the Commission's basic decisions in the Second Report and Order and believes that deployment of new technologies, even in existing land mobile systems, will come about sooner than the Commission's schedule contemplates because of market forces and of the great need for frequencies to relieve congestion and to accommodate pent-up mobile communications requirements that only private systems can serve. Accordingly, FIT respectfully submits that the "incentives" for the early deployment of new technologies proposed in the Further Notice are unnecessary and could be counterproductive.

FIT, therefore, opposes the proposals in the <u>Further Notice</u> for "exclusivity", "geographic" overlay licenses and "competitive bidding," among others, because they are, as stated, unnecessary, highly complex and impractical, and, if adopted, would bring about the transformation of the private land mobile services from private to commercial. Such a result would be highly detrimental to the forest products industry and to other basic industries where private land mobile radio is essential for safety and for the conduct of operations. Therefore, FIT urges the Commission to reject the proposals in the <u>Further Notice</u>.

Instead, FIT recommends adoption of a modest exclusivity policy under which reasonably interference-free assignments would be made on the recommendation of

the cognizant coordinator where such assignments are needed because of the size of the proposed system, safety considerations, or where the technology of the proposed system (e.g., TDMA, trunked) requires reasonably interference-free frequencies.

If Congress requires the Commission to collect user fees, FIT would recommend that the Commission propose for further comment a reasonable user fee program consistent with legislative requirements. The fees proposed in the <u>Further Notice</u> would be unreasonable, highly complex, and nearly impossible to administer and should not be adopted.

Finally, FIT recommends that the "new" frequencies be retained within the same radio service or services for assignment in accordance with the <u>Second Report and Order</u> so that they are available to relieve congestion and to accommodate growth in the services or services involved.

<---->

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BEFORE THE

Federal Communications Commission

WASHINGTON, D.C. 20554

In the Matter of)
Replacement of Part 90 by Part 88 to Revise the Private Land Mobile Radio Services and Modify the Policies Governing Them))))
and) PR Docket No. 92-235
Examination of Exclusivity and Frequency Assignment Policies of the Private Land Mobile Radio Services	/)))

COMMENTS OF FOREST INDUSTRIES TELECOMMUNICATIONS

Forest Industries Telecommunications ("FIT") submits these comments in response to the Commission's *Further Notice of Proposed Rulemaking ("Further Notice"*), released on June 23, 1995 in the above-caption proceeding.

I. Introduction

FIT has supported and continues to support the Commission's objective in this proceeding which is to increase the communications capacity of the land mobile frequency bands through the increased employment of advanced technologies. With one very important exception, that is, the Commission's tentative decision to consolidate the various land mobile radio services, FIT supports the Commission's basic decisions reached in its Second Report and Order in this proceeding. FIT believes that the use of the narrowband and other technologies contemplated by the Commission's basic decision will go a long way

towards increasing substantially the communications capacity of the land mobile radio spectrum. FIT, however, has serious concerns about the Commission's proposals in its *Further Notice*. Briefly, FIT believes that those proposals are not sound, and that their adoption would be contrary to the best interests of the private land mobile users and to the public interest.

II. Background

FIT is the national organization of radio users licensed in Forest Products Radio Service. It is the certified frequency coordinator for the Forest Products Radio Service and the industry's representative on matters pertaining to land mobile radio communications.

A. The Forest Products Industry, in Brief

The forest products industry provides some of the most essential materials for the U.S. economy, wood and wood products. It manufacturers the lumber for our houses and for the furnishing in those houses. It provides the paper for our books, our newspapers, our magazines. Over two billion copies of books are printed each year on paper manufactured by the forest products industry. The industry also provides the paper for the more than twenty four billion copies of newspapers printed each year and for over 350 million copies of magazines. It employs nearly 1.5 million workers and contributes over \$200 billion to the Nation's GNP.

The source of the industry's products is the Nation's timberlands. There are over five hundred millions of acres of timberland in the United States. Of those, over seventy million acres are commercial, privately owned. The rest are government owned, but are available for harvesting. Tree "farms" are large as well as small. For example, there are

approximately seven millions of small family owned tree farms.

Similarly, there are large, well known members of the forest products industry as well as small. Some of the large, well known companies are: Weyerhaeuser, Champion Paper, Georgia Pacific, International Paper. There are also several thousands of small, local and regional operators.

While timber is grown in many parts of the United States, the most extensive commercial forestry operations are in the Pacific Northwest, in the Southeast, in the northeastern part of New England, particularly in Maine, and in northern Wisconsin, Minnesota, and Michigan.

Logging, by its very nature, is a very hazardous activity. Logging operations are conducted in remote, forested areas where the ordinary facilities taken for granted elsewhere are scarce or non-existent. The annual injury rate among timber workers is high, more than 20 injuries or illnesses per 100 full time workers. The felling of trees, moving them to landing sites, loading them on special trucks and other conveyances and hauling them over often primitive roads are all hazardous activities resulting in many injuries and deaths.

B. The Use of Mobile Radio in the Forest Products Industry

In the remote, forested areas where the forest products industry conducts most of its operations, mobile radio is the primary, often the sole, means of communication. The primary purpose of radio communications in the industry is to promote safety or life. It is used to summon help in emergencies and to forewarn of hazards; it helps prevent or limit the ravages of forest fires. Millions of dollars worth of timber is destroyed by fire each year.

Millions of acres are also saved by quick responses and by modern fire-fighting methods in which radio plays a key role.¹

Radio, however, does more. It has become an essential management tool in coordinating and managing often far-flung logging operations. It is used to send and receive timely reports, to dispatch personnel and repair vehicles, to shift resources, to deal with emergencies. It is used by helicopter crews while distributing tree seeds (a costly and dangerous job made practical through close coordination between ground and air-borne crews by radio); it is used in fertilizing the forest from the air; to guide timber appraisers to the proper spots; to talk with the lone bulldozer operator grading a new road deep into the forest; to direct crews looking for lost hikers, hunters or fishermen.

Radio is also used to control remotely many logging and transportation operations (such as cable logging); in security systems; in production processes; in signalling devices; to control intake gates; regulate speed of machines; read meters; sound warning signals (in case of fire, or theft, or release of excess noxious air pollutants); and to operate remotely cranes and conveyer belts.

In short, forest products mobile radio continuously contributes to human safety and well-being and to the protection of vital natural resources.

As in all private radio services, forest products radio systems are designed to meet the particular requirements of the particular user. The range of system designs includes very large systems with dozens of base stations and hundreds of mobile units as well as

¹Because of the importance of land mobile radio communications for safety, the Forest Service, the Bureau of Land Management and increasingly the states require those engaged in woods operations to have reliable radio communications.

small systems used by a small contract loggers with one base and two mobile units. The typical radio system used in the industry, however, is fairly complex and may consist of three or more control stations, one or more repeaters at high sites, twenty to forty vehicular and several portable units. Typically, in such a system, about one-third of the mobile units are installed in the licensee's log trucks, about one-third is used by forest supervisors, and the remaining are distributed among wood log loaders, wood contractors, material handling vehicles, repair and maintenance vehicles, crew buses and other service and transportation facilities. Such a system is designed for communication with several logging and transport operations over areas fifty to one hundred miles in radius. These radio communication systems must provide reliable service in rural, rugged, forested terrain, and over relatively long distances. It is the only practical modern means of communication in forestry operations. There is no adequate substitute. The radio communications requirements of the industry are met by private communications systems. Commercial system, such as cellular, SMR, paging or future PCS can only minimally accommodate the industry's mobile radio communications requirements. Private radio systems must continue to be the primary means for mobile communications in this industry.

In sum, basic industries, such as forest products, must continue to have reasonable access to radio frequencies for private land mobile radio communications systems.

III. Comments

A. The need for "incentives" to achieve spectrum efficiency

The Commission's stated objectives for its proposals in its <u>Further Notice</u> is to promote the more efficient use of the frequencies allocated to the private radio services in

the bands below 800 MHz through one or more of the following methods: exclusive frequency assignments, user fees, and or auctions. R&O, Para. 2, Further Notice, Paras. 110, 114, 125, 128. The underlining assumption on the part of the Commission is that the land mobile spectrum below 800 MHz has not been and it is not being used efficiently and that the current "regulatory environment does not contain the proper incentives to encourage efficient use" Further Notice, Para. 110.

FIT disagrees strongly with those assumptions. FIT submits that the land mobile frequencies have been used very efficiently and effectively over the years. The very limited amount of spectrum allocated to the private land mobile radio services below 512 MHz has sustained the growth of the Nation's impressive private land mobile communications infrastructure for nearly half a century. Currently, as the Commission has noted (See, Para 111 of the Further Notice), over 500,000 land mobile stations and more than 12 million radio units are accommodated on those frequencies. This is highly efficient use.² The growth of land mobile communications over the years has been accommodated primarily through such spectrum efficient technologies as channel splitting, or narrowbanding, and other technologies as they became available, as well as through increasingly more

²Moreover, the land mobile channels below 470 MHz accommodate loadings surpassing those of 800 MHz trunked systems. For example, while 100 mobiles per channel is considered heavy loading for trunked systems, See, e.g., Section 90.631(a), Part 90, twice that loading is being accommodated by many, if not most land mobile channels below 470 MHz. Thus, as the Commission noted in its Notice of Inquiry in Docket 91-170, 6 FCC Rcd 4126, 4198 (1991), the land mobile channels in 1991 accommodated loadings exceeding 200 units per channels in the New York area, more than 120 units per channel in the Chicago area, and over 80 per channel in New Orleans. In the Forest Products Radio Service, loadings frequently exceeding 100 units per channel prevail in many of the areas of the country where the forest products industry operates. See FIT Comments in PR Docket 91-170, pp. 7-9.

intensive use of the available frequencies, including increased loading and increased sharing.

In its Second Report and Order in this proceeding, the Commission established the efficiency objectives for the private land mobile radio services for the immediate and more distant future and adopted the technical standards for achieving those objectives. The objectives and standards adopted in the Second Report and Order are reasonable, are consistent with current and developing technology and enjoy widespread support. The migration path to the new standards and efficiencies are also well laid out in the Second Report and Order and enjoy widespread support as well. Additionally, as technology leaps forward at high speeds, manufacturers are reducing and even discontinuing support of even relatively recent radio equipment. The costs for parts and labor for equipment repairs are becoming often too high even for equipment a few years old. High maintenance costs and hopefully declining prices for new equipment will bring about equipment changeouts in advance of the migration milestones established by the Commission in the Second Report and Order. More importantly, however, FIT believes that the narrowband and other technologies will be deployed ahead of the mileposts established by the Second Report and Order without the incentive proposed in the Further Notice because of the great need for additional communications capacity to relieve congestion and to accommodate unmet private land mobile communication requirements.

In sum, FIT is confident that, as technology advances and manufacturers provide reasonably priced new equipment, system changeovers to new technologies will come about sooner than even the Commission's schedules call for without the "incentives" the Commission has proposed because, it is emphasized, of the great and urgent needs to

relieve the intolerable congestion and to accommodate needed growth.

B. Exclusivity

In its <u>Further Notice</u>, the Commission proposes a modified version of the exclusive use overlay concept which had been proposed earlier in this proceeding. Under the current proposal, the Commission would provide for "shared exclusivity," by authorizing a "cap" on new assignments on the channel or channels involved within an "exclusivity" operating area, which would be the aggregate of the service areas of the base stations of the licensees involved in the particular exclusive assignment. Such exclusivity would be granted if all the licensees sharing a channel within an area enter into contractual arrangements to establish areas of exclusive assignments, and who also agree to convert to narrowband technology within a yet to be determined period of time. Upon conversion to narrowband technology, the licensee or licensees involved would be allowed to sell "excess capacity" on their channels at market prices.

In its earlier filings, FIT has recommended that the Commission provide for exclusive assignment of frequencies in the private land mobile radio services below 512 MHz but for different purposes. FIT does not agree that exclusivity should be authorized as an incentive for conversion to narrowband technologies and certainly not as a means for converting private systems to "commercial" systems. Private land mobile users do not need this kind of incentive to migrate to advanced technologies. The need to relieve congestion and to accommodate growth are sufficiently strong incentives.

FIT would strongly oppose rules which would authorize the sale of private land mobile communications service. That would be antithetical to the very nature and purpose of the private land mobile services. Private land mobile licensees should continue to be

required to serve their own internal communication needs and to share their stations with other eligibles as provided for now in Section 90.179 of the Rules.

Exclusive, or reasonably interference-free assignments should be available on the recommendation of the coordinator for limited purposes, that is, for relatively large systems, for safety related systems, and for systems which by their nature require dedicated frequency assignments, such as time division multiplex access (TDMA) or trunked systems. In other situations, frequencies should be assigned on a shared basis. It has been FIT's experience that small, decentralized, private land mobile systems sharing frequencies can provide and are providing perfectly acceptable communication service economically and efficiently. Therefore, FIT recommends that the Commission provide for assigning frequencies in the 150-170 and in the 421-512 MHz bands for exclusive as well as for shared use.

FIT believes that most if not all systems for which exclusive assignments will be sought will employ advanced technology equipment or system designs so that there would be no need to impose a mandatory requirement that the applicant employ such advanced technologies. Nevertheless, FIT would not object to requiring applicants requesting exclusive assignments for new systems to use narrowband or other technology complying with the new efficiency standards.

Protection of exclusive assignments should not be solely on the basis of fixed mileage separations as contemplated in the <u>Further Notice</u>. A more flexible approach is needed because system coverages in the private services vary greatly. A standard 50-mile geographic separation between co-channel stations would be inadequate for many systems in the forest products industry because many stations in that industry are designed to

provide service over distances often much greater than 50 miles. By contrast, a separation of 50 miles may be unnecessary and spectrally inefficient between systems designed to provide very limited coverage yet require exclusivity. Therefore, FIT recommends that the Commission provide for protecting a licensee's service area on the basis of prescribe desired to undesired signal ratios.

Notice are as follows: 1. <u>Time within which exclusive assignment licensees must be required to convert to narrowband technologies</u>. FIT's position is that there should not be such a mandatory requirement. FIT suggests that new applicants or applicants for new channels should be required to meet the narrowband standards, but not existing licensees. Should the Commission decide to impose such a requirement on all participants, the minimum period for conversion should be five (5) years.

Should exclusivity be available on all channels or should some channels be reserved for shared use? FIT believes that it is not possible to determine the relative demand for exclusive and for shared assignments and, therefore, recommends that the Commission not set aside specific frequencies for exclusive and or for shared use. Instead, all frequencies in the 150-170, and 421-512 MHz bands (except those designated for itinerant or low power use, which should be available for shared use only) should be available for exclusive or shared assignments.

2. <u>Should single entities be permitted to obtain exclusivity</u>? Assuming that a single entity demonstrates the need for exclusivity (i.e., large system, safety considerations, or systems which by their nature requiring exclusive channels, such as TDMA, trunked), such an entity should be assigned exclusive frequencies.

- 3. Should the exclusivity option be limited to existing users. No. There is no reason to exclude new applicants from establishing systems requiring exclusive assignments, that is, large systems, safety systems, or systems employing trunking as TDMA technologies. Excluding new applicants would be discriminatory and very likely unlawful.
- 4. What standards for narrowband efficiency should be required for exclusivity.

 These adopted in the <u>Second Report and Order</u>.

With respect to "exclusive" service areas, FIT agrees with the Commission's tentative conclusion that the protected area should be the composite area of all licensees entitled to share the particular frequency or frequencies. Protection should be provided in terms of C/I ratios at the edge of the composite service area, or based on the minimum distance separations, or the "safe harbor" tables submitted by LMCC earlier in the proceeding.

Coordinators, obviously, should become involved in the process for assigning frequencies on an exclusive as well as on a shared basis. However, FIT believes that the responsibility for record-keeping and enforcement of any exclusivity agreements or conditions, including any undertakings for conversion to narrowband technology, should remain with the Commission.

Finally, consistent with its strongly held views that private land mobile licensees -whether exclusive or shared -- should not be permitted to sell service on a commercial
basis, FIT urges the Commission to continue to classify stations authorized in these
services as PLMRS.

C. User Fees

FIT recognizes that the Commission may be required under legislation now pending before the Congress to impose user fees as a revenue producing measure, even on

licensees in the private land mobile radio services. If so, and depending on the specific requirements of such legislation, FIT would support adoption of reasonable fees consistent with statutory directives. However, FIT would opposes the kind of user fee outlined in Paragraphs 137 and 138 of the <u>Further Notice</u>, particularly if those fees are to be used as "incentives" to promote spectrum efficiency or early migration to narrowband and other technologies. As explained earlier, such incentives are neither necessary nor appropriate.

Moreover, user fees in the amounts contemplated in the <u>Further Notice</u> are excessive and would bring about results inconsistent with the public interest. It should be kept in mind that in all cases, from the smaller land mobile user to large companies with thousands of radios, the cost of communications is under continuing consideration and evaluation, even for communication systems related to safety. The user fees contemplated by the Commission would discourage establishing even safety related communications systems. Substantial user fees may also have the unintentioned but not unrealistic result of encouraging unlicensed operations and unauthorized use of frequencies, problems with which the Commission will not have the resources to deal.

As discussed above, an important concern in the forest products industry is safety. Indeed, the primary purpose and driving force behind private land mobile systems in that industry is safety. Because of concerns over safety, the forest products industry strives to provide not only basic mobile communications but also a level of redundancy to back up almost every system. It is important that employees in that industry have instant access to radio communications. Nevertheless, the substantial spectrum fees contemplated in the Further Notice would discourage establishment of private systems and thereby would adversely affect safety.

Moreover, the kind of user fee program described in Paragraphs 137 and 138 of the Further Notice would be nearly impossible to administer. The fee, based on such factors as bandwidth, size of the area of operation, population coverage, and population density within the coverage area, would have to be unique in each case and would have to be determined in each case. This is because nearly all of those factors would vary with respect to each application. The area of operation would have to be determined in each case, based not only on antenna height and power but also on terrain, foliage, etc. The population within the coverage areas will have to be calculated in each case because radio coverage does not follow jurisdictional boundaries for which population statistics may be readily available. Long backlogs inevitably will build up since thousands of land mobile applications are filled each month. The Commission will not have the resources to handle such backlogs. The administration of the land mobile radio service (one of the least costly program of the Commission) would become either unmanageable or very costly. The public interest would not be served.

Use of the results of the IVDS and Narrowband PCS auctions to determine the level of the user fees here, as suggested in the <u>Further Notice</u>, would not be appropriate. IVDS and PCS licensees are authorized to provide commercial services to the public and within a well established area of operation. In those services, the service area and population are relevant in determining the price paid. By contrast, private systems are for internal communications and, therefore, their location, and the number of people who happen to reside within their coverage area are irrelevant in determining the "value" of the frequency involved.

For all of the foregoing reasons, FIT urges the Commission not to adopt the user fee

plan described in the <u>Further Notice</u>. Instead, if the Commission is required by statute to impose user fees for revenue collection purposes, it should propose for further comment a fee structure patterned after the current regulatory fee structure with a reasonable across the board increase responsive to the dictates of the legislation.³

D. Competitive Bidding

FIT would strongly oppose adoption of the Commission's competitive bidding proposal, even if Congress grants the Commission authority to auction private land mobile licenses. First, FIT believes that auctions as such in the private land mobile radio services would be inappropriate and highly impractical. Because of their number and diversity, land mobile licenses simply do not lend themselves to auctions. More importantly, however, FIT opposes the Commission's proposal because it is not simply a proposal to adopt auctions as a mechanism for selecting from among competing applicants. It goes far beyond that. It is a proposal which would spell the end of the private land mobile radio services and of the private land mobile communications infrastructure that has served the Nation's needs for more than half a century. It calls for superimposing on existing licensees and on existing land mobile systems "geographic overlay" licenses and in effect for freezing existing land mobile radio systems in place without possibilities for meaningful changes. This would inevitably force existing licensees to give up their private systems and would allow the overlay licensees to take over the frequencies assigned to them. The overlay licensee would be authorized to sell communications service not only to incumbents but

³See also: Nathan Associates, Inc. <u>Methods for Assigning Licenses of Newly</u>
<u>Allocated Spectrum for Private Wireless Communications</u> July 1995, prepared on behalf of the Private Wireless Communications Coalition.

also to others, regardless of eligibility, safety, and the priority considerations inherent in the current regulatory structure for the private land mobile radio services. In short, adoption of the Commission's proposal would be the beginning of the end of private land mobile communications. The record in this proceeding simply does not support a decision of such magnitude.

It bears emphasizing that there are over 500,000 licensed private land mobile systems in existence authorized to operate over 12 million transmitters and representing investment of over \$25 billions. More importantly, those systems accommodate highly important communications needs. It also bears emphasizing that the private land mobile radio services were established by the Commission based on extensive records and after careful consideration over a long period of time. See, for example, General Mobile Radio Service, Report and Order, Docket Nos.: 8658, 8965, 8972, 8973, 8974, 9001, 9018, 9046, 9047, 13 FCC 1190 (1949); Inquiry into the Allocation of Frequencies Between 25 and 890 MHz, Report, 2 RR2d 1513 (1963); Frequency Allocations in the 450-470 MHz Band, 11 FCC 2d 648 (1968). Their value to the Nation's safety, productivity and well being has been recognized by the Commission time and time again. See, First Report and Order, Dkt. No. 18261, 23 FCC 325 (1970); First Report and Order, Docket No. 18262, 35 FR 8644 (Jan 4, 1970); Second Report and Order, Docket No. 18262, 46 FCC 2d 752 (1974); Report and Order, PR Docket No. 79-191, 90 FCC 2nd 1281 (1983); Further Sharing of the <u>UHF - Television Band By Private Land Mobile Services, Notice of Proposed Rulemaking,</u> Gen. Dkt 85-172, 55 Fed. Reg. 25587 (June 25, 1985); See also, Future Private Lane Mobile Telecommunications Requirements, Planning Staff, Private Radio Bureau, FCC, 1983, PP 2-1 to 2-3 et seq.; The Private Land Mobile Advisory Committee Report for the

1979 World Administrative Conference, p. 8.

As long ago as in 1970, the Commission observed:

".... land mobile communications play a vital role and have become indispensable in public safety, as well as in industry, transportation and commercial activities of the Nation". <u>First Report and Order</u>, Docket 18261, 23 FCC 2d 325, 329.

FIT respectfully submits that they continue to play an even more vital role today. Certainly, there is nothing in the record in this proceeding which would support a decision to discontinue private land mobile communications systems, as the Commission's competitive bidding proposal contemplates..

The competitive bidding program the Commission adopted in PR Docket 89-553 for the 900 MHz SMR licenses, to which the Commission refers in Paragraph 143 of the Further Notice, is not a good model for the proposal in this proceeding. There are major (indeed fundamental) distinctions between the service involved in PR Doc 89-553 and the services involved here. The program adopted in PR Docket 89-553 is for awarding licenses in a commercial (the SMR) service. The frequencies involved in that decision are unassigned in most of the country. The number of existing incumbents is relatively small. But contrast, the proposal here would change the nature and character of the private land mobile services and would affect hundreds of thousands of existing licensees and operating systems. The logistics for implementing the proposal here would be enormous. The consequences would also be enormous and, in FIT's view, disastrous. In sum, the proposal here is fundamentally different and must be considered on its own merits. The record in this proceeding simply does not support its adoption.

Notice, under which the Commission would hold in reserve "new" channels created as users migrate to narrowband channels, aggregate those channels and offer them for auction. As a practical matter, such a program would be nearly impossible to implement. Migration to new technologies is to take place gradually and over a substantial period of time. Therefore, determining when and where narrowband channels become "available" and placing such channels "on hold" would also be an enormously complicated task, if indeed such an program can be practically implemented.

Moreover, such a program would frustrate the principal objective of this proceeding which is to create additional communications capacity so as to relieve congestion and to provide for growth in private land mobile communications. Additionally, it would be unfair and counter-productive to require existing users to incur the considerable costs for system changeouts just so as to create new frequencies to be sold.

As to the public safety services, FIT agrees that applicants in those services should not be made subject to the competitive bidding program proposed in the <u>Further Notice</u>, for the reason discussed above. However, if the Commission adopts auctions as a means for choosing among mutually exclusive applicants, such a program should also be made applicable to the public safety services. FIT sees no reason why auctions should not be used to chose among mutually exclusive applicants in those services if such a program is imposed in the remaining private land mobile services.

Finally, and responding to the question posed in Para 147 of the <u>Further Notice</u>, FIT strongly believes that the private land mobile radio services should not be converted to commercial services and, therefore, stations authorized in those services should continue

to be used for internal, private communications, except for rendering service to other eligibles in accordance with Section 90.179 of the Commission's Rules.

E. New Channels

The new channels should continue to remain in the same radio service to which the primary channels are now allocated, as it has been done in the <u>Second Report and Order</u> in this proceeding.

Respectfully submitted,

FOREST INDUSTRIES
TELECOMMUNICATIONS

Kenton Sturdevant

Its Executive Vice President

Of Counsel:

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Dated: November 20, 1995

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